

# ISP REALTY CORP

## FORM 10-Q (Quarterly Report)

Filed 8/14/1996 For Period Ending 6/30/1996

Address	1361 ALPS ROAD WAYNE, New Jersey 07470
CIK	0000883542
Fiscal Year	12/31

Generated by EDGAR Online Pro  
<http://pro.edgar-online.com>



Contact EDGAR Online  
Customer Service: 203-852-5666  
Corporate Sales: 212-457-8200

**FORM 10-Q**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

(Mark One)

**/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For The Quarterly Period Ended June 30, 1996**

OR

**// TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

*Commission File Number 1-10788*

**INTERNATIONAL SPECIALTY PRODUCTS INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

51-0333696  
(I. R. S. Employer  
Identification No.)

818 Washington Street, Wilmington, Delaware  
(Address of principal executive offices)

19801  
(Zip Code)

Registrant's telephone number, including area code

(302) 429-8554

**Commission File Number 33-44862**

**ISP CHEMICALS INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

13-3416260  
(I. R. S. Employer  
Identification No.)

Rt. 95 Industrial Area, PO Box 37  
Calvert City, Kentucky  
(Address of principal executive offices)

42029  
(Zip Code)

Registrant's telephone number, including area code

(502) 395-4165

**ISP TECHNOLOGIES INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State of Incorporation)

51-0333795  
(I. R. S. Employer  
Identification No.)

State Highway 146 & Industrial Road  
Texas City, Texas  
(Address of principal executive offices)

77590  
(Zip Code)

Registrant's telephone number, including area code

(409) 945-3411

See table of additional registrants.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES /X/ NO //

As of August 9, 1996, 97,062,002 shares of International Specialty Products Inc. common stock (par value, \$.01 per share) were outstanding.

As of August 9, 1996, ISP Chemicals Inc. and ISP Technologies Inc. each had 10 shares of common stock outstanding.

As of August 9, 1996, each of the additional registrants had the number of shares outstanding which is shown on the table below.

# ADDITIONAL REGISTRANTS

Address, including zip code, and telephone number, including area code, of Exact name of registrant as registrant's principal specified in its charter executive office	State of Incorporation	No. of Shares Outstanding	Commission File No./I.R.S Employer Identification No.
----- ISP (PUERTO RICO) INC. Suite 206B Iturregui Plaza  65th Infanteria Avenue  Rio Piedras, Puerto Rico 00924  (809) 768-5400	Delaware	10	33-44862-03/  13-2626732
ISP ENVIRONMENTAL SERVICES INC. 1361 Alps Road  Wayne, NJ 07470  (201) 628-3000	Delaware	10	33-44862-04/  51-0333801
ISP FILTERS INC. 4436 Malone Road  Memphis, TN 38118  (901) 795-2445	Delaware	10	33-44862-05/  51-0333796
ISP GLOBAL TECHNOLOGIES INC. 818 Washington Street  Wilmington, DE 19801  (302) 429-7492	Delaware	10	33-44862-06/  51-0333802
ISP INTERNATIONAL CORP. 818 Washington Street  Wilmington, DE 19801  (302) 429-7493	Delaware	10	33-44862-07/  51-0333734
ISP INVESTMENTS INC. 818 Washington Street  Wilmington, DE 19801  (302) 429-7496	Delaware	10	33-44862-08/  51-0333803
ISP MANAGEMENT COMPANY, INC. 1361 Alps Road  Wayne, NJ 07470  (201) 628-3000	Delaware	10	33-44862-09/  51-0333800
ISP MINERAL PRODUCTS INC. 34 Charles Street  Hagerstown, MD 21740  (301) 733-4000	Delaware	10	33-44862-10/  51-0333794
ISP MINERALS INC. Route 116  Blue Ridge Summit, PA 17214  (717) 794-2184	Delaware	10	33-44862-11/  51-0333798
ISP REAL ESTATE COMPANY, INC. 1361 Alps Road	Delaware	2	33-44862-12/  22-2886551

Wayne, NJ 07470

(201) 628-3000

ISP REALTY CORPORATION  
1361 Alps Road

Delaware

1000

33-44862-13/

13-2720081

Wayne, NJ 07470

(201) 628-3000

VERONA INC.  
NCNB Plaza, Suite 300

Delaware

100

33-44862-16/

22-3036319

7 North Laurens Street

Greenville, SC 29601

(803) 271-9194

BLUEHALL INCORPORATED  
818 Washington Street

Delaware

1

33-44862-15/

13-3335905

Wilmington, DE 19801

(302) 651-0165

# Part I - FINANCIAL INFORMATION

## Item 1 - FINANCIAL STATEMENTS

### INTERNATIONAL SPECIALTY PRODUCTS INC.

#### CONSOLIDATED STATEMENTS OF INCOME

(Thousands, except per share amounts)

	Second Quarter Ended		Six Months Ended	
	July 2, 1995	June 30, 1996	July 2, 1995	June 30, 1996
Net sales.....	\$182,630	\$184,955	\$362,529	\$370,566
Costs and expenses:				
Cost of products sold.....	109,236	107,122	222,479	220,018
Selling, general and administrative.....	33,858	36,511	66,003	71,735
Goodwill amortization.....	3,309	3,300	6,618	6,600
Total costs and expenses.....	146,403	146,933	295,100	298,353
Operating income.....	36,227	38,022	67,429	72,213
Interest expense.....	(8,419)	(7,022)	(16,537)	(14,918)
Equity in earnings of joint venture	1,500	1,736	1,950	3,150
Other income, net.....	323	2,893	896	6,467
Income before income taxes.....	29,631	35,629	53,738	66,912
Income taxes.....	(11,055)	(13,033)	(20,093)	(24,448)
Net income.....	\$ 18,576	\$ 22,596	\$ 33,645	\$ 42,464
Earnings per common share.....	\$ .19	\$ .23	\$ .34	\$ .44
Weighted average number of common shares outstanding.....	98,723	97,489	99,197	97,617

See Notes to Consolidated Financial Statements

## INTERNATIONAL SPECIALTY PRODUCTS INC.

## CONSOLIDATED BALANCE SHEETS

	December 31, 1995	June 30, 1996
	-----	-----
ASSETS	(Thousands)	
Current Assets:		
Cash.....	\$ 14,080	\$ 11,781
Investments in trading securities.....	17,183	9,056
Investments in available-for-sale securities..	114,099	124,267
Investments in held-to-maturity securities....	4,618	4,503
Accounts receivable, trade, net.....	60,327	75,640
Accounts receivable, other.....	12,356	19,784
Receivable from related parties, net.....	-	4,680
Inventories.....	107,969	95,430
Other current assets.....	12,920	14,370
	-----	-----
Total Current Assets.....	343,552	359,511
Property, plant and equipment, net.....	475,550	477,603
Goodwill, net.....	430,458	423,858
Other assets.....	63,378	58,503
	-----	-----
Total Assets.....	\$1,312,938	\$1,319,475
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Short-term debt.....	\$ 36,199	\$ 27,774
Current maturities of long-term debt.....	398	405
Loan payable to related party.....	50,597	52,857
Accounts payable.....	41,727	47,249
Accrued liabilities.....	56,538	61,422
Payable to related parties, net.....	9,429	-
Income taxes.....	6,114	6,226
	-----	-----
Total Current Liabilities.....	201,002	195,933
	-----	-----
Long-term debt less current maturities.....	280,254	251,849
	-----	-----
Long-term note payable to related party.....	67,237	80,072
	-----	-----
Deferred income taxes.....	55,743	49,659
	-----	-----
Other liabilities.....	65,458	64,114
	-----	-----
Stockholders' Equity:		
Preferred stock, \$.01 par value per share; 20,000,000 shares authorized.....	-	-
Common stock, \$.01 par value per share; 300,000,000 shares authorized: 99,888,646 shares issued.....	999	999
Additional paid-in capital.....	504,544	504,641
Treasury stock, at cost - 2,122,395 and 2,480,334 shares.....	(16,718)	(21,078)
Excess of purchase price over the adjusted historical cost of the predecessor company shares owned by GAF's stockholders.....	(63,483)	(63,483)
Retained earnings.....	199,634	242,098
Cumulative translation adjustment and other...	18,268	14,671
	-----	-----
Total Stockholders' Equity.....	643,244	677,848
	-----	-----
Total Liabilities and Stockholders' Equity.....	\$1,312,938	\$1,319,475
	=====	=====

See Notes to Consolidated Financial Statements

**INTERNATIONAL SPECIALTY PRODUCTS INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Six Months Ended	
	July 2, 1995	June 30, 1996
	(Thousands)	
Cash and cash equivalents, beginning of period.....	\$ 62,864	\$ 31,263
Cash provided by operating activities:		
Net income.....	33,645	42,464
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation.....	17,677	18,678
Goodwill amortization.....	6,618	6,600
Deferred income taxes.....	(3,443)	(7,075)
(Increase) decrease in working capital items.....	(14,862)	(1,018)
Change in net receivable from/payable to related parties.....	(7,544)	(14,109)
Change in cumulative translation adjustment.....	8,805	(5,875)
Other, net.....	(9,617)	4,044
Net cash provided by operating activities.....	31,279	43,709
Cash used in investing activities:		
Capital expenditures and acquisition.....	(16,056)	(21,197)
Purchases of available-for-sale securities.....	(146,281)	(130,064)
Purchases of held-to-maturity securities.....	(510)	(3,306)
Designation of trading securities as available-for- sale.....	(2,697)	(9,928)
Proceeds from sales of available-for-sale securities.	91,796	133,178
Proceeds from held-to-maturity securities.....	-	3,421
Net cash used in investing activities.....	(73,748)	(27,896)
Cash provided by (used in) financing activities:		
Proceeds from sale of accounts receivable.....	1,768	-
Increase (decrease) in short-term debt.....	22,439	(8,757)
Decrease in long-term debt, net.....	(21,249)	(28,482)
Increase (decrease) in loans from related party.....	2,537	15,095
Repurchases of common stock.....	(11,173)	(4,816)
Other.....	41	721
Net cash used in financing activities.....	(5,637)	(26,239)
Net change in cash and cash equivalents.....	(48,106)	(10,426)
Cash and cash equivalents, end of period.....	\$ 14,758	\$ 20,837
Supplemental Cash Flow Information:		
Cash paid during the period for:		
Interest (net of amount capitalized).....	\$ 17,856	\$ 17,140
Income taxes (including taxes paid pursuant to the Tax Sharing Agreement).....	22,682	41,957

**See Notes to Consolidated Financial Statements**



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The financial statements for International Specialty Products Inc. (the "Company") reflect, in the opinion of management, all adjustments necessary to present fairly the financial position of the Company at December 31, 1995 and June 30, 1996, and the results of operations and cash flows for the periods ended July 2, 1995 and June 30, 1996. All adjustments are of a normal recurring nature. These financial statements should be read in conjunction with the annual financial statements and notes thereto included in the Company's Annual Report to Stockholders for the fiscal year ended December 31, 1995 (the "Annual Report"), which was incorporated by reference in the Company's Annual Report on Form 10-K for the fiscal year then ended (the "Form 10-K").

NOTE A: On July 26, 1996, two domestic subsidiaries (the "Borrowers") of the Company refinanced their \$250 million long-term revolving credit facility and \$150 million one-year revolving credit facility with a \$400 million five-year revolving credit facility (the "Credit Agreement"). Borrowings under the Credit Agreement bear interest at a floating rate based on the banks' base rate, federal funds rate, Eurodollar rate or a competitive bid rate (which may be based on LIBOR or money market rates), at the option of the Borrowers. All of the Borrowers' obligations under the Credit Agreement are guaranteed by the Company and its other domestic subsidiaries.

The Credit Agreement permits the Borrowers to make loans to affiliates and to make available letters of credit for the benefit of affiliates in an aggregate amount of up to \$75 million. As of June 30, 1996, \$2.3 million of letters of credit for the benefit of affiliates were outstanding.

The Credit Agreement permits the Company to pay cash dividends and make other restricted payments (as defined) of up to the sum of \$50 million plus 50% of the sum of its consolidated net income (if positive) after January 1, 1996 plus the aggregate net cash proceeds from issuance of the Company's common stock after December 31, 1995.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE B: Inventories consist of the following:

	December 31, 1995	June 30, 1996
	-----	-----
	(Thousands)	
Finished goods.....	\$ 71,431	\$ 56,836
Work in process.....	20,540	23,606
Raw materials and supplies.....	18,634	18,461
	-----	-----
Total.....	110,605	98,903
Less LIFO reserve.....	(2,636)	(3,473)
	-----	-----
Inventories.....	\$107,969	\$ 95,430
	=====	=====

NOTE C: Contingencies

### Asbestos Litigation Against GAF

GAF Corporation ("GAF"), a parent of the Company, has advised the Company that, as of June 30, 1996, GAF had been named as a defendant in approximately 46,500 pending lawsuits involving alleged health claims relating to the inhalation of asbestos fiber, having resolved approximately 220,000 other lawsuits involving similar claims, and as a co-defendant in 8 pending lawsuits alleging economic and property damage or other injuries in public and private buildings caused, in whole or in part, by what is claimed to be the present or future need to remove asbestos material from those premises.

The reserves of GAF and G-I Holdings Inc. ("G-I Holdings"), a wholly owned subsidiary of GAF, for asbestos bodily injury claims, as of June 30, 1996, were approximately \$341.5 million (before estimated present value of recoveries from products liability insurance policies of approximately \$188.1 million and related deferred tax benefits of approximately \$54.9 million). GAF and G-I Holdings have advised the Company that certain components of the asbestos-related liability and the related insurance recoveries have been reflected on a discounted basis in their financial statements, and that the aggregate undiscounted liability, as of June 30, 1996, before estimated recoveries from products liability insurance policies, was \$380.9 million. GAF's and G-I Holdings' estimate of liability for asbestos claims is based on the pending class-action settlement of future asbestos bodily injury claims (the "Settlement") becoming effective and on assumptions which relate, among other things, to the number of new cases filed, the cost of resolving (either by settlement or litigation or through the mechanism established by the Settlement) pending and future claims, the realization of related tax

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### NOTE C: (Continued)

benefits, the favorable resolution of pending litigation against certain insurance companies and the amount of GAF's recoveries from various insurance companies. On May 10, 1996, the United States Court of Appeals for the Third Circuit (the "Third Circuit") issued an opinion, concluding that the class action was not certifiable as a class action, thus reversing the decision of the lower court which found the Settlement fair and reasonable. GAF has advised the Company that it intends to file a petition for a writ of certiorari with the United States Supreme Court to pursue an appeal of the Third Circuit's decision. GAF also has advised the Company that it continues to believe the Settlement should ultimately be upheld on appeal, although there can be no assurance in this regard. As of June 30, 1996, G-I Holdings' stockholder's equity was \$10.1 million.

Neither the Company nor the assets or operations of the Company, which was operated as a division of a corporate predecessor of GAF prior to July 1986, have been involved in the manufacture or sale of asbestos products. The Company believes that it should have no legal responsibility for damages in connection with asbestos-related claims, but the Company cannot predict whether any such claims will be asserted against it or the outcome of any litigation related to such claims. In addition, should GAF be unable to satisfy judgments against it in asbestos-related lawsuits, its judgment creditors might seek to enforce their judgments against the assets of GAF, including its indirect holdings of common stock of the Company, and such enforcement could result in a change of control of the Company.

### **Environmental Litigation**

The Company, together with other companies, is a party to a variety of administrative proceedings and lawsuits involving environmental matters ("Environmental Claims"), in which recovery is sought for the cost of cleanup of contaminated sites, a number of which are in the early stages or have been dormant for protracted periods.

At most sites, the Company anticipates that liability will be apportioned among the companies found to be responsible for the presence of hazardous substances at the site. The Company estimates that its liability in respect of all Environmental Claims, as of June 30, 1996, will be approximately \$17.4 million, before insurance recoveries reflected on the Company's balance sheet (discussed below)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### NOTE C: (Continued)

of \$6.9 million ("estimated recoveries"). In the opinion of the Company's management, the resolution of the Environmental Claims should not, individually or in the aggregate, be material to the results of operations, liquidity or financial position of the Company. However, adverse decisions or events, particularly as to the merits of the Company's factual and legal defenses to liability and the financial responsibility of the other parties involved at each site and their insurers, could cause the Company to increase its estimate of its liability in respect of such matters. It is not currently possible to estimate the amount or range of any additional liability.

After considering the relevant legal issues and other pertinent factors, the Company believes that it will receive the estimated recoveries and it may receive amounts substantially in excess thereof. The Company believes it is entitled to substantially full defense and indemnity under its insurance policies for most Environmental Claims, although the Company's insurers have not affirmed a legal obligation under the policies to provide indemnity for such claims.

The estimated recoveries are based in part upon interim agreements with certain insurers. The Company terminated these agreements in 1995, and GAF commenced litigation on behalf of itself and its subsidiaries seeking amounts substantially in excess of the estimated recoveries. While the Company believes that its claims are meritorious, there can be no assurance that the Company will prevail in its efforts to obtain amounts equal to, or in excess of, the estimated recoveries.

For further information regarding asbestos-related and environmental matters, reference is made to Note 14 to Consolidated Financial Statements contained in the Annual Report.

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Results of Operations - Second Quarter 1996 Compared With Second Quarter 1995**

The Company recorded second quarter 1996 net income of \$22.6 million (23 cents per share) versus \$18.6 million (19 cents per share) in the second quarter of 1995. The 22% increase in net income was primarily attributable to higher operating and other income and lower interest expense.

Net sales for the second quarter of 1996 were \$185 million compared with \$182.6 million for the second quarter of 1995. The sales growth was attributable to increased sales in all business segments, primarily resulting from increased sales volumes and/or higher selling prices. The higher sales reflected higher international sales, partially offset by the unfavorable effect (\$4.7 million) of the stronger U.S. dollar relative to other currencies in certain areas of the world and by lower domestic sales.

Operating income for the second quarter of 1996 was \$38 million, a 5% increase over last year's \$36.2 million. The increase in operating income was attributable to higher specialty chemicals operating income (up \$3.0 million or 10%), partially offset by lower mineral and filter products results (down \$0.5 and \$0.9 million, respectively). The higher specialty chemicals operating income resulted from the higher sales levels and improved gross margins (up 3.4 percentage points) due primarily to improved pricing.

Interest expense for the second quarter of 1996 was \$7 million compared with \$8.4 million for the same period last year, with the decrease due to lower interest rates and lower average borrowings. Other income, net was \$2.9 million in the second quarter of 1996 compared with \$.3 million last year, primarily reflecting higher investment income.

### **Results of Operations - Six Months 1996 Compared With Six Months 1995**

For the first six months of 1996, the Company recorded net income of \$42.5 million (44 cents per share), compared with net income of \$33.6 million (34 cents per share) for the first six months of 1995. The 26% increase in net income was the result of higher operating and other income, as well as higher income from the GAF-Huls Chemie GmbH joint venture ("GAF-Huls") and lower interest expense.

Net sales for the first six months of 1996 were \$370.6 million versus \$362.5 million for the same period in 1995. The sales growth was attributable to increased sales of specialty chemicals (up \$9.9 million), primarily reflecting increased sales volumes and higher sales prices. This increase

resulted from higher sales in all geographic regions partially offset by the unfavorable effect (\$4.2 million) of the stronger U.S. dollar relative to other currencies in certain areas of the world. Sales for the mineral products business decreased by \$3.0 million (7%) due to lower sales volumes resulting from a lost customer and adverse winter weather conditions in the first quarter of 1996.

Operating income for the first six months of 1996 increased by 7% to \$72.2 million from last year's \$67.4 million. The increase in operating income was due to higher specialty chemicals operating income (up \$8.5 million or 15%), partially offset by lower mineral and filter products results (down \$2.0 million each). The higher specialty chemicals operating income resulted primarily from the higher sales levels and improved gross margins (up 3.2 percentage points) due to improved pricing and continued benefits from the Company's re-engineering program.

Interest expense was \$14.9 million for the first six months of 1996, a 10% decrease compared with \$16.5 million for the same period last year. The decrease reflected lower interest rates and lower average borrowings. Other income, net was \$6.5 million for the first six months of 1996 compared with \$.9 million last year, the increase resulting primarily from higher investment income and gains associated with the Company's program to hedge certain of its foreign currency exposures.

### **Liquidity and Financial Condition**

During the first six months of 1996, the Company generated cash from operations of \$43.7 million, invested \$21.2 million in capital expenditures and an acquisition, and invested \$6.7 million for net purchases of available-for-sale and held-to-maturity securities, for a net cash inflow of \$15.8 million before financing activities. Working capital increased by \$1.0 million, primarily reflecting a \$22.6 million increase in accounts receivable due to higher sales in June 1996 versus December 1995, offset by a \$12.6 million reduction in inventories and a \$10.4 million increase in accounts payable and accrued liabilities. Cash from operations in the first six months of 1996 included \$5.7 million in dividends received from the GAF-Huls joint venture.

Net cash used in financing activities totaled \$26.2 million for the first six months of 1996, primarily reflecting a \$28.8 million reduction in borrowings under the Company's bank credit agreements and an \$8.8 million decrease in short-term borrowings, partially offset by a \$15.1 million increase in borrowings from an affiliate. Financing activities also reflected \$4.8 million in expenditures in connection with the Company's program to repurchase up to a total of 3,500,000 shares of its common stock from time to time in the open market. As of June 30, 1996, 2,564,700 shares had been repurchased pursuant to the program.

As a result of the foregoing factors, cash and cash equivalents decreased by \$10.4 million during the first six months of 1996 to \$20.8 million (excluding \$124.3 million of available-for-sale securities and \$4.5 million of held-to-maturity securities).

On July 26, 1996, the Company entered into a new five-year revolving credit facility (the "Credit Agreement") with a group of banks, which provides for loans of up to \$400 million and letters of credit of up to \$75 million (see Note A to Consolidated Financial Statements). Borrowings under the Credit Agreement are subject to the application of certain financial covenants contained in the Credit Agreement. Assuming the Credit Agreement was in effect as of June 30, 1996, the application of such covenants would not have restricted amounts available for borrowing under the Credit Agreement.

See Note C to Consolidated Financial Statements for information regarding contingencies.

## **PART II**

### **OTHER INFORMATION**

#### **Item 1. Legal Proceedings**

The discussion relating to legal proceedings contained in Note C to Consolidated Financial Statements in Part I is incorporated herein by reference.

#### **Item 4. Submission of Matters to a Vote of Security Holders**

At the Company's Annual Meeting of Stockholders held on May 13, 1996, each nominated director was reelected, with at least 96,058,850 votes in favor of, and not more than 131,030 votes withheld from, each nominee, and the proposed amendment to the Company's 1991 Incentive Plan for Key Employees and Directors was approved, with 89,852,021 votes in favor, 6,302,801 votes against and 35,058 abstentions.

#### **Item 6. Exhibits and Reports on Form 8-K**

##### **(a) Exhibits**

27 - Financial Data Schedule, which is submitted electronically to the Securities and Exchange Commission for information only.

(b) No Reports on Form 8-K were filed during the quarter ended June 30, 1996.



**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, each of the Registrants listed below has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**INTERNATIONAL SPECIALTY PRODUCTS INC.**

**ISP CHEMICALS INC.**

**ISP TECHNOLOGIES INC.**

**ISP (PUERTO RICO) INC.**

**ISP ENVIRONMENTAL SERVICES INC.**

**ISP FILTERS INC.**

**ISP GLOBAL TECHNOLOGIES INC.**

**ISP INTERNATIONAL CORP.**

**ISP INVESTMENTS INC.**

**ISP MANAGEMENT COMPANY, INC.**

**ISP MINERAL PRODUCTS INC.**

**ISP MINERALS INC.**

**ISP REAL ESTATE COMPANY, INC.**

**ISP REALTY CORPORATION**

**VERONA INC.**

**BLUEHALL INCORPORATED**

DATE: *August 13, 1996*

-----

BY: */s/Randall R. Lay*

-----  
*Randall R. Lay*  
*Vice President and*  
*Chief Financial Officer*  
*(Principal Financial and*  
*Accounting Officer)*

**ARTICLE 5**

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE SECOND QUARTER 1996 10-Q OF INTERNATIONAL SPECIALTY PRODUCTS INC. AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000874578

NAME: INTERNATIONAL SPECIALTY PRODUCTS INC.

MULTIPLIER: 1000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1996
PERIOD START	JAN 01 1996
PERIOD END	JUN 30 1996
CASH	11781
SECURITIES	137826
RECEIVABLES	75640
ALLOWANCES	0
INVENTORY	95430
CURRENT ASSETS	359511
PP&E	477603
DEPRECIATION	0
TOTAL ASSETS	1319475
CURRENT LIABILITIES	195933
BONDS	251849
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	0
OTHER SE	677848
TOTAL LIABILITY AND EQUITY	1319475
SALES	370566
TOTAL REVENUES	370566
CGS	220018
TOTAL COSTS	220018
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	14918
INCOME PRETAX	66912
INCOME TAX	24448
INCOME CONTINUING	42464
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	42464
EPS PRIMARY	.44
EPS DILUTED	.44

---

**End of Filing**

Powered By **EDGAR**  
Online

© 2005 | EDGAR Online, Inc.

G-I\_EPA0009194